

OFFICE OF THE COUNCIL AUDITOR

FY 2018/2019 PROPOSED BUDGET

FINANCE COMMITTEE MEMBERS

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Meeting #3
August 22, 2018

**COUNCIL AUDITOR’S OFFICE
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**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
TAX COLLECTOR (S/F 017)**

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BACKGROUND:

The Tax Collector's budget includes funding for three (3) divisions identified as branch agencies, current and delinquent taxes, and supervision and general collection. There are nine (9) branches and one (1) satellite office which process various transactions such as property and local business taxes, driver's license services and fast title services.

REVENUES:

1. Charges for Services:
 - The net increase of \$256,651 is mainly attributed to the following increases:
 - \$97,506 in License Plate Tag/Title based on current actual revenue.
 - \$45,000 in Driver's License Renewal Fees consistent with current collections.
 - \$35,000 in E-Commerce Fees based on current actual revenue.
 - \$30,000 in Collection Fees for Delinquent Tax Sales based on current actual revenue.
 - \$30,000 in Tax Collector Miscellaneous Revenue based on current actual revenue.
 - \$23,700 in Real Estate Advertising due to a \$1.00 increase in the advertising fee in FY 2018/19.
2. Investment Pool/Interest Earnings:
 - The increase of \$7,797 is based on anticipated earnings contingent upon the available cash balance and the projected interest rate and is consistent with current earnings.
3. Transfers from Other Funds:
 - The decrease of \$141,683 is a decrease in the transfer from the General Fund/General Services District (011) which is what balances revenue and expenditures in this subfund. The proposed General Fund/General Services District (011) subsidy is \$6,557,576.
4. Transfers from Fund Balance:
 - The amount of \$903,668 is the FY 2017/18 portion of the pension reform contingency for future salary increases that will be placed back into the contingency below.

EXPENDITURES:

1. Salaries:
 - The net increase of \$356,311 is mainly attributed to the following increases:
 - \$308,975 in Permanent and Probationary Salaries mainly due to pay increases to be effective October 1st related to collective bargaining.
 - \$51,320 in Overtime Salaries based on a wage increase for JSO officers' overtime to secure branches and also actual Tax Collector overtime costs.
 - \$33,234 in Part-time Salaries due to wage increases to be effective October 1st.
 - \$20,088 in Leave Rollback/Sellback based on Employee Services' calculation.
- This is somewhat offset by a decrease of \$51,800 in Special Pay based on current actuals.

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2. Salary & Benefit Lapse:

- The proposed Salaries and Benefits Lapse of \$274,397 is based on the average turnover ratio and estimated number of vacancies in FY 2018/19.

3. Pension Costs:

- The net increase of \$173,288 is mainly due to salary increases noted above and employee turnover.

4. Employer Provided Benefits:

- The increase of \$309,653 is mainly due to an increase in Health Insurance of \$304,808 due to the elimination of the five contribution "holidays" that occurred in FY 2017/18.

5. Internal Service Charges:

- The net decrease of \$104,591 is mainly attributed to the following decreases:
 - \$66,599 in Building Maintenance Cost Allocation due to a decrease in prior year actuals.
 - \$44,758 in General Counsel Allocation due to a decrease in usage.
 - \$30,052 in Computer System Maintenance Allocation due to a decrease in IT agency specific allocation service charges.

This is somewhat offset by an increase of \$28,288 in Technology Refresh due to an anticipated refresh/replacement of 36 computers in FY 2018/19.

6. Other Operating Expenses:

- The increase of \$69,031 is mainly attributed to the following increases:
 - \$42,721 in Rentals due to contractual increases to lease amounts.
 - \$20,000 in Postage due to a projected increase in the forced replacement of license plates.
 - \$11,771 in Hardware/Software Maintenances & Licenses.

This is somewhat offset by a decrease of \$15,300 in Equipment Rentals due to the removal of two driver's license printers.

7. Contingencies:

- The increase of \$246,231 is the FY 2018/19 portion of the pension reform contingency.

SERVICE LEVEL CHANGES:

None

CAPITAL OUTLAY CARRYFORWARD:

Per Schedule AF, there is a capital carry forward of \$643,273 in office equipment related to the relocation of the westside branch.

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EMPLOYEE CAP CHANGES:

None

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
SUPERVISOR OF ELECTIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 393-395

BACKGROUND:

The Supervisor of Elections Office registers all voters in Duval County, educates voters on State and local laws and how to vote, staffs early voting sites prior to an election, staffs the call center prior to an election, processes absentee ballots, and conducts State and local elections of Duval County in accordance with the elections laws of Florida. In FY 2017/18 there was one county-wide election (Primary). In FY 2018/19 there will be three county wide-elections (1 General Election and 2 Local Duval County Elections).

REVENUE:

1. Miscellaneous Revenue:

- This revenue has traditionally represented charges for holding municipal elections (e.g. Atlantic Beach). These elections have now been moved in line with other elections.

EXPENDITURES:

1. Salaries:

- The increase of \$2,394,117 is due to an increase of \$2,207,280 in part time salaries and \$126,266 in overtime due to the additional elections in FY 2018/19. There is also an increase of \$60,884 in permanent and probationary salaries due to anticipated pay increases of 4.5% to be effective October 1st related to collective bargaining agreements from pension reform.

2. Pension Costs:

- The amount reflected in the Mayor's Budget Book for pension costs for this Department is an error. The actual proposed pension costs for FY 2018/19 is \$361,998, an increase of \$30,047 over FY 2017/18. The increase of \$30,047 is due to salary increases and employee turnover.

3. Employer Provided Benefits:

- The increase of \$92,783 is mainly due to an increase of \$60,136 in health insurance in connection with the elimination of the five contribution "holidays" that occurred in FY 2017/18, and an increase of \$35,330 in Medicare tax due to an increase in part-time salaries.

4. Internal Service Charges:

- The decrease of \$108,475 is primarily due to a decrease of \$66,540 in computer system maintenance and security costs related to the usage of Wireless Data Cards and server upgrades performed in FY 2017/18. This is also due to a decrease of \$21,004 in city-wide building maintenance and \$11,532 in utilities costs based on prior year actuals.

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 MAYOR'S PROPOSED FY 2018/19 BUDGET
 SUPERVISOR OF ELECTIONS
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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5. Insurance Costs and Premiums:

- The increase of \$9,832 is mainly due to an increase in general liability insurance based on actuarial projections.

6. Professional and Contractual Services:

- The increase of \$46,501 is due to an increase of \$40,501 in security guard services, and \$6,000 in janitorial services at the libraries related to the number of elections to be held in FY2018/19.

7. Other Operating Expenses:

- The net increase of \$664,201 is due to having three elections instead of one. Specifically, due to an increase of \$339,055 in operating supplies to print sample and absentee ballots, and an increase of \$166,420 in miscellaneous services and charges related to the cost of election equipment transportation and wireless upload of election results. This is also due to an increase of \$63,272 in postage to mail absentee ballots and \$51,250 for the rent of the polling facilities.

FOOD AND BEVERAGES EXPENDITURE:

Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
SEEL011	7,500	Food for Election staff on election day.	Food for Election staff on election day.

EMPLOYEE CAP CHANGES:

There are no employee cap changes. Part-time hours have increased from 61,724 hours in FY 2017/18 to 212,316 hours in FY 2018/19 due to the increase in the number of elections.

CAPITAL OUTLAY CARRYFORWARD:

None.

SERVICE LEVEL CHANGES:

The number of county-wide elections is increasing from one in FY 2017/18 to three in FY 2018/19.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
SUPERVISOR OF ELECTIONS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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RECOMMENDATIONS:

- 1) We recommend increasing part-time hours by 64,284 hours to 276,600 hours within the Elections activity to more accurately reflect the number of part-time hours projected to be used in the three elections scheduled in FY 2018/19. This has no impact on Special Council Contingency.

- 2) We recommend decreasing security guard service by \$4,482, salaries overtime by \$9,613, and Medicare Tax by \$139 to reflect the savings in security guard services and library staff overtime in the Supervisor of Election budget that resulted from the additional Library hours budgeted in FY 2018/19. This will have a positive impact of \$14,234 on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 CLERK OF THE COURTS – OPERATIONS (S/F 016)**

PROPOSED BUDGET BOOK – Page # 413-415

BACKGROUND:

Pursuant to Article 5 of the Florida Constitution and Section 28 of the Florida Statutes, the Clerk of the Circuit Court is the official recorder of all instruments that may, by law, be recorded in the county. Examples of these instruments included deeds, marriage licenses, documentary stamps, etc. A fee of \$10 for the first page and \$8.50 for each additional page is charged each time a document is recorded with the clerk. The County side of the Clerk (S/F 016) receives \$5.00 for the first page and \$4.00 for each additional page. The rest of the fee goes into various other accounts. This sub-fund has Clerk County operations and Clerk Court-related costs that are a County obligation.

Distributed to/Used for	1st Page	Each Add'l Page	Subfund
City of Jacksonville (Clerk of Court County Related Duties)	\$ 5.00	\$ 4.00	016 - Clerk of Court
Clerk of the Court (Public Records Modernization Trust Fund - County Related IT Needs Except Salaries)	1.00	0.50	Not Budgeted by City
Clerk of the Court (Public Records Modernization Trust Fund - Court Related IT Needs Including Salaries)	1.90	1.90	
Florida Association of Court Clerks and Comptrollers Inc.	0.10	0.10	
City of Jacksonville (Technology for State Trial Courts, State Attorney, and Public Defender)	2.00	2.00	15U - Recording Fees Technology
Total Fee	\$ 10.00	\$ 8.50	

REVENUE:

1. Charges for Services:
 - The net increase of \$74,988 is primarily due to increases of \$40,685 in passport application fees and \$33,092 for documentary stamps based on actuals.
2. Transfers from Fund Balance:
 - The transfer of \$219,001 from fund balance is made up of \$119,287 for the prior year's pension reform contingency and \$99,714 to balance the budget.

EXPENDITURES:

1. Salaries:
 - The net increase of \$66,878 is mostly due to anticipated pay increases of 4.5% to be effective October 1st due to collective bargaining related to the pension reform, along with new hires employed at higher salary rates than previously vacant positions.
2. Salary and Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2018/19.

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CLERK OF THE COURTS – OPERATIONS (S/F 016)**

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3. Employer Provided Benefits:
 - The increase of \$43,475 is primarily due to increases in health insurance costs as a result of the elimination of the five health contribution “holidays” in the proposed budget.
4. Internal Service Charges:
 - The increase of \$157,990 is primarily due to an increase of \$142,264 in computer system maintenance and security costs attributable to the new ERP system.
5. Other Operating Expenses:
 - The decrease of \$38,209 is mostly due to a decrease of \$45,708 in rental costs resulting from a new lease and rate for the Neptune Beach Annex. This is partially offset by an increase of \$10,000 in printing and binding to cover the cost of printing marriage license envelopes which is not funded each year due to placing bulk orders to reduce costs.
6. Capital Outlay:
 - There are no capital outlay purchases in the proposed budget.
7. Indirect Cost:
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City’s independent consulting firm.
8. Contingencies:
 - The proposed contingency amount of \$152,189 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in approved collective bargaining agreements.

SERVICE LEVEL CHANGES:

There are no significant service level changes.

CAPITAL OUTLAY CARRYFORWARDS:

Per Schedule AF, there are capital carryforwards for the following items:

- \$150,000 for Beaches Branch Improvements
- \$340,000 for Tax Deed RFP related computer equipment
- \$33,632 for Capital Professional Service Costs associated with the Tax Deed RFP

EMPLOYEE CAP CHANGES:

There are no changes to the employee cap.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATION
MAYOR'S PROPOSED BUDGET FY 2018/19
COURTS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #399-400

BACKGROUND

This budget includes the Circuit and County Courts' expenses as well as the Guardian Ad Litem. The County is responsible for providing facilities, maintenance, utilities, security, communications, existing radio systems and the existing Multi-Agency Criminal Justice Information System (CJIS) to the Courts pursuant to Florida Statute 29.008.

EXPENDITURES

1. Salaries:
 - The net increase of \$6,399 is due to the anticipated 4.5% pay increases in permanent and probationary salaries pursuant to the collective bargaining agreements.
2. Pension Costs:
 - The net decrease of \$8,198 is due to a new employee being in the defined contribution plan instead of the defined benefit plan.
3. Employer Provided Benefits:
 - The net increase of \$7,256 is mainly due to the \$7,178 increase in Group Hospitalization insurance due to the elimination of the five pay period contribution "holidays" that occurred in FY 2017/18.
4. Internal Service Charges:
 - The net decrease of \$115,226 is primarily due to a decrease of \$108,040 in computer system maintenance and security attributable to the completion of Cisco VoIP Phone System upgrades, server upgrades, and maintenance of the Case Management System and JUD4.org website. The decrease is also due to an overall decrease in building cost of the Courthouse, which is partially offset by an increase in IT charges for the replacement of network equipment and computers.
5. Insurance Costs and Premiums:
 - The \$19,583 reduction is due to a recent favorable claims history.
6. Professional and Contractual Services:
 - In FY 2017/18 the budget included six months of funding (\$162,500) for Adult Drug Court with the remaining six months being funded during the year if needed (which it was). This decrease of \$162,500 represents there being no funding in the General Fund/GSD for Adult Drug Court. The proposed budget is based on Courts receiving federal funding as in prior years. On August 8, 2018, the City did receive a grant award so there is not a need for this funding in FY 2018/19.

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COURTS
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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7. Other Operating Expenses:

- The net decrease of \$13,716 is due to a \$14,000 decrease in lease-purchases of copiers, a \$10,508 decrease in furniture under \$1,000, and a \$3,208 decrease in software under \$1,000 for Surface Pros. This is offset by a \$12,000 increase in repairs and maintenance for copiers, printers and judicial robes.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
COURTS
COURT COST COURTHOUSE TRUST (S/F 15T)**

PROPOSED BUDGET BOOK – Page #401-402

BACKGROUND

As a result of Ordinance 2010-561-E, the State Court Facilities Surcharge was increased from \$15 to \$30. The surcharge is levied on non-criminal traffic violations and the criminal violations listed in Section 318.17 of the Florida Statutes and is to be used exclusively to fund the maintenance and the capital improvements associated with court facilities. Pursuant to Section 634.102 of the Municipal Code, no less than 25% of the \$30 fee should be spent on maintenance.

This is an “all years” subfund, which means once dollars are appropriated, the appropriation stays in place from year to year rather than lapsing.

REVENUE

1. Charges for Services:
 - This amount represents the anticipated revenue of \$3,120,000 to be collected in FY 2018/19 as well as the appropriation of \$229,962 of prior available revenue.
2. Transfers from Other Funds:
 - This is a transfer from the General Fund / General Services District (S/F 011) to cover budgeted expenses over anticipated revenue.

EXPENDITURES

1. Internal Service Charges:
 - This amount represents the required 25% of revenues that must be used for building maintenance. The costs for maintaining the courthouse complex reside in the public buildings internal service fund and part of the cost is allocated to this fund via an internal service charge.
2. Debt Service:
 - The increase of \$22,514 is due to an increase in debt service cost associated with the Courthouse bond issue based on the corresponding amortization schedule.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATION
MAYOR'S PROPOSED BUDGET FY 2018/19
COURTS
TEEN COURT PROGRAMS TRUST (S/F 15V)**

PROPOSED BUDGET BOOK – Page#403-405

BACKGROUND

This program provides Duval County youth with an alternative to a conviction record by diverting them into programs where they are subject to peer group involvement as part of the rehabilitation process, and/or exposure to community service work, positive role models, law students, and the judicial system. In addition, a second program, the Teen Court Truancy Program has been developed in an effort to reduce truancy. These programs are funded by a \$3 fee charged pursuant to Florida Statute 938.19 against each person that pleads guilty or is found guilty of a traffic violation in accordance with Chapter 316 of the Florida Statutes.

REVENUE

1. Fines and Forfeits:
 - This amount reflects the revenue received from the \$3 fee.
2. Transfers from Other Funds:
 - This is a transfer from the General Fund – GSD (S/F 011) for the Neighborhood Accountability Board.
3. Transfers from Fund Balance:
 - The transfer of \$27,441 from fund balance includes \$23,817 to re-establish the FY 2017/18 pension reform contingency as well as \$3,624 to balance the budget.

EXPENDITURES

1. Salaries:
 - The decrease of \$23,337 is due to the transfer of one position to Court Cost \$65 Fee (S/F 1S1) as a result of Ordinance 2017-846-E. This decrease was slightly offset by anticipated 4.5% pay increases in permanent and probationary salaries pursuant to the collective bargaining agreements.
2. Salary & Benefit Lapse:
 - This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2018/19.
3. Pension Costs:
 - The net decrease of \$14,838 is mainly due to the transfer of one position to Court Cost \$65 Fee (S/F 1S1).
4. Employer Provided Benefits:
 - The net increase of \$12,437 is mainly the result of the increase in Group Hospitalization Insurance due to the elimination of the five pay period “holidays” that occurred in FY 2017/18 offset slightly by the reduction in the authorized position cap.

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COURTS
TEEN COURT PROGRAMS TRUST (S/F 15V)**

PROPOSED BUDGET BOOK – Page#403-405

5. Internal Service Charges:

- The increase of \$3,998 is due to an overall increase in IT cost related to the implementation of the Enterprise Financial/Resource Management Solution.

6. Contingencies:

- The proposed contingency amount of \$29,834 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the collective bargaining agreements.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

A position within the Teen Court activity was transferred during FY 2017/18 to the Judicial Support activity in Court Cost \$65 Fee (S/F 1S1) pursuant to Ordinance 2017-846-E.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED BUDGET 2018/19
COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

PROPOSED BUDGET BOOK – Page #406-408

BACKGROUND

Municipal Code Section 111.385 and the Florida Statute Section 939.185 authorize a \$65 fee on felony, misdemeanor, or criminal traffic offenses. This revenue is split into four separate activities which receive 25% of the total revenue: Legal Aid, Duval County Law Library, Juvenile Drug Court, and Judicial Support. Pursuant to Florida Statute, any remaining funding at year end will be transferred into the Judicial Support activity.

REVENUE

Courts

1. Charges for Services:
 - The increase of \$7,416 is due to an expected increase in revenue from the \$65 fee based on recent actuals. This represents three – fourths of collections.
2. Miscellaneous Revenue:
 - The \$16,312 decrease is based on recent actuals for revenue received by the Duval County Library for copier services for the public and Continuing Learning Education seminars for lawyers.

Finance and Administration

1. Charges for Services:
 - The increase of \$2,472 is due to an expected increase in revenue from the \$65 fee based on recent actuals. This represents the one-fourth that is sent to Jacksonville Area Legal Aid (JALA).

Non-Departmental / Fund Level Activates

1. Transfers from Other Funds:
 - The \$290,000 is from the General Fund (S/F 011) to balance and provide additional funding for the juvenile drug court activity.
2. Transfers from Fund Balance:
 - A fund balance appropriation is being used to balance the budget.

EXPENDITURES

Courts

1. Salaries:
 - The increase of \$55,278 is mainly due to the transfer of one position from Teen Court (S/F 15V) pursuant to Ordinance 2017-846-E and a 4.5% increase in permanent and probationary salaries pursuant to collective bargaining agreements.

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COURTS
COURT COSTS \$65 FEE (S/F 1S1)**

PROPOSED BUDGET BOOK – Page #406-408

2. Pension Costs:
 - The net increase of \$7,132 is mainly due to the addition of one employee.
3. Employer Provided Benefits:
 - The net increase of \$30,901 is mainly due to the increase in group hospitalization insurance due to the elimination of the five health contribution “holidays” in FY 2017/18.
4. Internal Service Charges:
 - The increase of \$4,807 is due to an overall increase in IT project costs related to the implementation of the Enterprise Financial / Resource Management Solution.
5. Professional and Contractual Services:
 - The \$208,508 increase is due to additional funding for the Juvenile Drug Court.
6. Library Materials:
 - The \$26,618 decrease is due to a reduction of online publication services due to limited funding within the Law Library Budget.

Finance and Administration

Other Operating Expenses

- A \$2,472 increase to Trust Fund Authorized Expenditures is due to the increase in the \$65 fee collections which results in more money being sent to Jacksonville Area Legal Aid.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The employee cap increased by one during FY 2017/18 due to a position transferred in from Teen Court (S/F 15V) by Ordinance 2017-846-E.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED BUDGET FY 2018/19
JUDICIAL – VARIOUS
RECORDING FEES TECHNOLOGY (S/F 15U)**

PROPOSED BUDGET BOOK – Page #416-417

BACKGROUND

This sub-fund receives \$2 for each page recorded by the Clerk into the Official Record pursuant to Florida Statute 28.24(12)(e)(1). These funds are to be used on the technology costs for the State Courts, State Attorney, and Public Defender as outlined in Florida Statute 29.008(1)(f)(2). Funds should be disbursed once the three parties mutually agree with the distribution of the funds pursuant to Section 111.388 of the Municipal Code.

REVENUE

Courts

Charges for Services

- The increase of \$13,425 is attributable to an increase in revenue from the \$2 recording fee based on recent actuals. This revenue is tied to the recording of deeds and mortgages.

EXPENDITURES

Courts

Internal Service Charges

- The net increase of \$86,535 is due to an increase in allocation costs for Tech Refresh & Pay-Go and Computer System Maintenance & Security due to the ERP system.

Public Defender

Internal Service Charges

- The net decrease of \$18,921 is due to a decrease of \$29,391 in Refresh & Pay-Go which is offset by a \$10,470 increase in Computer System Maintenance & Security.

Other Operating Expenses

- The net increase of \$21,001 is due to an increase in maintenance contracts and rates for salary reimbursements.

State Attorney

Internal Service Charges

- The net increase of \$62,456 is due to an increase of \$65,856 in Computer System Maintenance & Security.

EMPLOYEE CAP CHANGES

There are no authorized positions in this subfund.

SERVICE LEVEL CHANGES

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED BUDGET FY 2018/19
JUDICIAL – VARIOUS
RECORDING FEES TECHNOLOGY (S/F 15U)**

PROPOSED BUDGET BOOK – Page #416-417

MEMORANDUM OF UNDERSTANDING BUDGET ADJUSTMENTS

The three parties signed an MOU dated July 24, 2018 where they requested the following adjustments to their budget.

Courts:

- \$39,999 increase in Computer Equipment & Software to update IT equipment such as Surface Pros, servers and other capital supplies.

Public Defender:

- \$52,749 increase in Computer Equipment & Software to replace the case management server.
- \$1 decrease in Dues and Subscriptions

State Attorney:

- Increases to update and improve their server and software programing to assist with functions of the database and case load management system include:
 - \$54,163 increase in Professional Services.
 - \$4,654 increase in Miscellaneous Services & Charges
 - \$110,909 increase in Computer Equipment and Software
- \$1,200 decrease in Software & Computer under \$1,000 due to other changes

These amounts would be offset with an increase to the transfer from fund balance in the amount of \$261,273 to bring the total transfer from fund balance to \$396,875. This will have no impact to the Special Council Contingency.

COMMENTS

1. While there are enough funds to do the transfer from fund balance of \$396,875, this would leave the subfund with only about \$100,000 in fund balance. Therefore, there would not be as much available in future years.
2. Section 111.388 of the Municipal Code requires the three areas sign an agreement before funds are disbursed from this sub-fund. If the MOU Adjustments discussed above are not approved, then all three parties must sign a new MOU prior to any funds being disbursed.

RECOMMENDATION:

The Finance Committee needs to vote whether it approves or disapproves of the MOU Budget Adjustments listed above.

- a) If the Committee approves, these items will be added to the Budget.
- b) If the Committee disapproves, a new MOU will need to be executed amongst the three parties.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED BUDGET FY 2018/19
PUBLIC DEFENDER
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #409-410

BACKGROUND

Chapter 29.008 of the Florida Statutes requires that the Public Defender be provided with office space, utilities, maintenance, security, transportation, and communication services as may be necessary for the proper and efficient functioning of their offices.

EXPENDITURES

1. Internal Service Charges:

- The net decrease of \$6,564 is mainly due to a \$24,845 decrease in computer system maintenance/security allocation related to cell phone charges and Cisco VoIP Phone System charges. This is partially offset by an increase of \$19,199 in technology refresh/pay-go allocation cost to refresh of network equipment.

2. Other Operating Expenses:

- The net increase of \$26,248 is due to an increase of \$52,232 in repairs and maintenance to retrofit the main conference room into a training facility. This amount is partially offset by a \$25,985 decrease in lease-purchase for a metal – detector that was purchased for the Haverly's Building in FY 2017/18.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED BUDGET FY 2018/19
STATE ATTORNEY
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #411-412

BACKGROUND

Chapter 29.008 of the Florida Statutes requires the City of Jacksonville to provide the State Attorney with office space, utilities, maintenance, security, and communication services as may be necessary for the proper and efficient functioning of their offices.

EXPENDITURES

1. Internal Service Charges:

- The net increase of \$28,606 is mainly due to an overall increase of \$53,206 in building maintenance cost of the State Attorney building. This was partially offset by a decrease of \$23,736 in IT charges associated with the Cisco VoIP Phone System.

2. Other Operating Expenses:

- The increase of \$1,000 in miscellaneous services and charges is the contract cost for water and shred bins.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #320-322

BACKGROUND:

The Parks, Recreation and Community Services Department is comprised of six divisions: Disabled Services, Natural and Marine Resources, Office of the Director, Recreation and Community Programming, Senior Services and Social Services.

REVENUE:

1. Charges for Services:
 - The overall increase of \$16,500 is primarily due to increases of \$14,000 in dockage fee revenue and \$5,000 in summer camp fees based on actual revenues.
2. Miscellaneous Revenue:
 - The overall increase of \$11,358 is primarily due to an increase of \$9,000 in senior service center usage fees to better align with current year revenues. There was also an increase of \$2,900 for rental revenue based on actuals.

EXPENDITURES:

1. Salaries:
 - The increase of \$716,219 is primarily due to increases for the anticipated pay increases of 4.5% to be effective October 1st due to approved collective bargaining agreements. There were also increases of \$141,295 for the addition of four new positions.
2. Pension Costs:
 - The increase of \$235,998 is driven by the salary increases noted above and employee turnover.
3. Employer Provided Benefits:
 - The increase of \$385,315 is driven by an increase in health insurance due to the elimination of the five contribution “holidays” that occurred in FY 2017/18.
4. Insurance Costs and Premiums:
 - The increase of \$115,029 is mainly due to unfavorable recent claim history.
5. Other Operating Expenses:
 - The increase of \$146,547 is mainly due to the following increases:
 - \$75,462 in repairs and maintenance based on actuals;
 - \$25,510 in dues, subscriptions and memberships for increased support for the Timucuan Trail Parks Foundation;
 - \$18,509 in equipment rentals mostly due to the replacement of broken ice and water machine units with leased units;

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COMMENTS AND RECOMMENDATIONS
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PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #320-322

- \$11,425 in clothing, uniforms and safety equipment for Playgrounds and Centers;
 - \$10,000 in welfare for utilities (electric, water, propane gas and heating fuel), bringing the total to \$325,000.
6. Capital Outlay:
- The FY 2017/18 funding of \$175,000 is for enhancements to Hemming Park.
7. Grants, Aids & Contributions:
- The \$3,012,000 represents the City's match, which includes an overmatch of \$2,903,148, for the Jacksonville Senior Service Program. This is an increase of \$40,697 from FY 2017/18. This combined with the grant of \$1,255,519 pays for salary and benefits of City employees and various contractual services.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

The authorized position cap is increasing by four (4) positions. Specifically:

- Two Maintenance Worker 1 positions and one Grounds Maintenance Working Foreman were added to the Recreation and Community Programming Division.
- One Waterfront Project Manager was added to the Natural and Marine Resources Division.

There was no change in the number of part-time hours.

HANDOUT CONTINUES ON NEXT PAGE

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
 MAYOR'S PROPOSED FY 2018/19 BUDGET
 PARKS, RECREATION AND COMMUNITY SERVICES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #320-322

FOOD AND BEVERAGES EXPENDITURES:

SF	Indexcode	Amount	Description of each Service/Event that requires the purchase of food/beverage	Explanation that the Service/Event serves a public purpose
011	RPAH011SP	4,500	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.	More than 700 seniors throughout the community (Senior Centers, Senior residences, church groups, neighborhood associations etc) are invited to these meetings. Seniors have raised their families, owned businesses, worked hard over the years, this is a way to honor them and let them know their city cares about them.
011	RPCM011PG	500	Joseph Lee Day	Summer playday for approximately 500 kids
011	RPCM011PG	2,000	Annual special events	Food for annual special events
011	RPCM011PG	9,500	After school & summer program	Snacks for summer & after school programs
011	RPCM011SNL	2,500	SNL Nutrition program	Food for annual special events
011	RPCM011SNL	9,600	SNL snacks	Snacks for SNL
011	RPOD011CEXT	3,000	This account funds supplies for the Family & Consumer Sciences program & partial Expanded Food & Nutrition program educational programming which will generate an annual projected average of 25,000 contacts reaching a range of groups including at-risk youth, seniors, limited income adults and general public.	All items are used in educational programming for teaching purposes only. These programs teach how to achieve a healthy lifestyle by using the dietary guidelines and food guide pyramid to establish eating patterns, manage resources and reduce the risk of certain chronic diseases.
Total		31,600		

HANDOUT CONTINUES ON NEXT PAGE

**COUNCIL AUDITOR'S OFFICE
 COMMENTS AND RECOMMENDATIONS
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 PARKS, RECREATION AND COMMUNITY SERVICES
 GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK – Page #320-322

DIVISION CHANGES:

Parks & Recreation Division Expenses	2017/18 Adopted	2018/19 Proposed	\$ Change from FY 18	% Change from FY 18	
Disabled Services	\$ 622,746	\$ 666,213	\$ 43,467	6.98%	A
Natural and Marine Resources	\$ 1,737,694	\$ 1,787,959	\$ 50,265	2.89%	B
Office of the Director	\$ 3,058,130	\$ 3,013,860	\$ (44,270)	-1.45%	C
Recreation and Community Programming	\$ 24,364,638	\$ 25,223,003	\$ 858,365	3.52%	D
Senior Services	\$ 5,744,094	\$ 5,983,826	\$ 239,732	4.17%	E
Social Services	\$ 9,682,504	\$ 9,824,061	\$ 141,557	1.46%	F
Department Total	\$ 45,209,806	\$ 46,498,922	\$ 1,289,116	2.85%	

- A** For Disabled Services the increase of \$43,467 is primarily due to an increase of \$45,288 in overall employee costs that resulted from a combination of the salary increase noted above and the elimination of the five contribution “holidays” that occurred in FY 2017/18.
- B** For Natural and Marine Resources the net increase of \$50,265 is mainly due to an increase of \$168,391 in employee costs due to the additional position, the salary increases noted above, and the elimination of the five contribution “holidays” that occurred in FY 2017/18. This was mostly offset by a decrease of \$140,000 in professional services resulting from the one-time funding approved for FY 2017/18 for sewer services related to Tree Hill.
- C** For the Office of the Director, the decrease of \$44,270 is primarily due to a decrease of \$262,638 in internal service charges that is mostly due to reduced information system allocations resulting from the completion of several agency-specific application projects in FY 2017/18. The offsets are increases of:
- \$101,455 in overall employee costs resulting from the salary increases noted above;
 - \$86,819 in general liability and miscellaneous insurance costs due to unfavorable claims history;
 - \$25,000 in other operating expenses for increased renewal/dues for the Timucuan Trail Parks Foundation.
- D** For Recreation and Community Programming the net increase of \$858,365 is mainly due to the following increases:
- \$882,330 in employee costs resulting from two new positions and the salary increases noted above;
 - \$178,889 in internal service charges related to increases in information systems (\$205,661) and fleet (\$147,723) allocations based on actual usage and an overall higher share of the cost. The offset includes decreases of \$97,939 in citywide building maintenance based on usage and \$87,054 in electricity utility allocations due to an overall decrease in the charges city-wide.

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PARKS, RECREATION AND COMMUNITY SERVICES
GENERAL FUND / GENERAL SERVICES DISTRICT (S/F 011)**

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- \$106,531 in other operating expenses for repairs and maintenance (\$75,212), equipment rentals (\$19,509), and clothing, uniforms, and safety equipment (\$11,425) in the Playgrounds and Centers Division.

The offset is mainly due to a net decrease of \$324,999 in capital outlay resulting from the removal of one-time funding that occurred in FY 2017/18 (\$500,000) for the installation of security cameras and enhanced lighting in selected City parks being slightly offset by the funding for Hemming Park (\$175,000) in FY 2018/19.

E For Senior Services the \$239,732 increase is due to increases of:

- \$107,760 in internal service charges mostly due to information system allocations for the anticipated refresh/replacement of 87 computers;
- \$82,132 in overall employee costs due to the salary increases noted above and the elimination of the five contribution “holidays” that occurred in FY 2017/18; and
- \$40,697 in the City’s match for the Senior Service Program grant.

F For Social Services the \$141,557 increase is due to increases of:

- \$93,323 in professional and contractual services due to an increase in the contract cost for in-jail adult substance abuse education, treatment, and case management.
- \$57,936 in overall employee costs due to the salary increases noted above and the elimination of the five contribution “holidays” that occurred in FY 2017/18.

RECOMMENDATIONS:

None

**COUNCIL AUDITOR'S OFFICE
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PARKS, RECREATION AND COMMUNITY SERVICES
HUGUENOT PARK (S/F 1D1)**

PROPOSED BUDGET BOOK – Page # 323 - 325

BACKGROUND:

The Huguenot Park Trust Fund is governed by Ordinance Code Section 111.126. This trust fund is funded by entrance fees, annual pass fees, camper rentals, miscellaneous sales and charges, and concession commissions, as well as a subsidy from the General Fund/General Services District (S/F 011). The code states that expenditures from the trust fund shall be for park maintenance and capital improvements and to offset operating expenses associated with the park.

REVENUE:

1. Charges for Services
 - This amount represents estimated revenue for entrance fees, annual passes, and camper rentals.
2. Transfers from Other Funds
 - The transfer from the General Fund/GSD (S/F 011) of \$369,442 is to balance the subfund.
3. Transfers from Fund Balance
 - The transfer from Fund Balance of \$31,357 represents the carryforward of the FY 2017/18 pension reform contingency.

EXPENDITURES:

1. Salaries
 - The increase of \$41,234 in salaries is mainly due to an increase of \$24,250 in permanent and probationary salaries resulting from the scheduled pay raise related to collective bargaining and filling two positions at higher rates. There is also an increase of \$14,700 in part time salaries to be in line with current year actuals.
2. Insurance Costs and Premiums
 - The decrease of \$13,871 is primarily due to a decrease in general liability insurance as a result of a decrease in recent claims filed.
3. Indirect Cost
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.
4. Contingencies
 - The proposed contingency amount of \$40,715 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the approved collective bargaining agreements.

**COUNCIL AUDITOR'S OFFICE
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PARKS, RECREATION AND COMMUNITY SERVICES
HUGUENOT PARK (S/F 1D1)**

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SERVICE LEVEL CHANGES:

Huguenot Park is not currently providing camper and shelter rental services due to the impact of Hurricane Matthew, and due to the effects of Hurricane Irma, the restoration of the camper sites that were non-operational was postponed. The camper sites are expected to be reopened before the beginning of FY 2018/19. When camper sites are restored, 38 sites will be operational, but will be increased to 72 through the year. All three (3) shelters are expected to be brought back to full operation along with the camper sites.

EMPLOYEE CAP CHANGES:

None.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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PARKS, RECREATION AND COMMUNITY SERVICES
KATHRYN A. HANNA PARK (S/F 1D2)**

PROPOSED BUDGET BOOK – Page # 326 - 328

BACKGROUND:

The Kathryn A. Hanna Park Maintenance and Improvement Fund was established by Section 111.125 of the Municipal Code to receive all revenues and interest earned by the City from admission fees, rentals of facilities, and other funds from activities and events occurring at Hanna Park. The generated revenues are used to offset the expenditures for personnel, operating, and capital outlay.

REVENUE:

1. Charges for Services
 - The net increase of \$259,735 is mostly due to increases of \$246,562 in camper rentals and \$13,173 in annual pass fees based on current year actuals.
2. Miscellaneous Revenue
 - The increase of \$6,000 is primarily due to an increase in concession commissions due to a contract with a concessions vendor.
3. General Fund Loan
 - The loan from the General Fund/GSD (S/F 011) of \$846,320 is to fund the FY 2018/19 capital projects using cash. This loan will be repaid through any FY 2017/18 recaptured funds and, if necessary, any excess revenue from the FY 2019/20 budget.
4. Transfer from Fund Balance
 - The transfer from Fund Balance of \$51,874 represents the carryforward of the FY 2017/18 contingency.

EXPENDITURES:

1. Salaries
 - The increase of \$59,749 is primarily due to increases in salaries related to the approved collective bargaining agreements and the addition of one (1) full-time employee to the Hanna Park subfund.
2. Salary & Benefit Lapse
 - There is a proposed salaries/benefits lapse of \$17,642 based on the average turnover ratio and estimated number of vacancies in FY 2018/19.
3. Employer Provided Benefits
 - The net increase of \$35,986 is mostly the result of an increase in health insurance due to the end of the five contribution “holidays” for participants in the health insurance plan, as well as an increase in the number of employees participating in the plan.

**COUNCIL AUDITOR'S OFFICE
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PARKS, RECREATION AND COMMUNITY SERVICES
KATHRYN A. HANNA PARK (S/F 1D2)**

PROPOSED BUDGET BOOK – Page # 326 - 328

4. Internal Service Charges

- The net increase of \$24,766 is primarily due to an increase of \$22,077 in guard services and security system monitoring due to the increased cost of the security company service contract.

5. Other Operating Expenses

- The net increase of \$17,300 is due to increases of:
 - \$7,400 in repairs and maintenance for upgrades of trail safety signage.
 - \$6,000 in credit card fees in line with current year actuals.
 - \$2,500 in clothing, uniforms, and safety equipment for new uniforms for the staff.
 - \$1,400 in safety shoe allowance per collective bargaining agreements.

6. Indirect Cost

- This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

7. Contingencies

- The proposed contingency amount of \$65,820 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the recently approved collective bargaining agreements.

8. Transfers to Other Funds

- The proposed transfer amount of \$1,020,000 to the capital project fund will fund the renovation and construction costs of the playground, splash park, and campground restrooms.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

The authorized position cap was increased by one (1) Parks Naturalist Specialist position.

RECOMMENDATION:

The Surcharges – Misc. revenue was a fee that was previously collected to pay the third-party reservation management service employed by the City before the current online management system was implemented. This revenue is no longer collected. Per the Department's request, we recommend the revenue amount of \$15,575 for Surcharges – Misc. be eliminated and offset with an increase of \$15,575 in Camper Rentals revenue. This will have no impact on Special Council Contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PARKS, RECREATION AND COMMUNITY SERVICES
FLORIDA BOATER IMPROVEMENT PROGRAM (S/F 1D8)**

PROPOSED BUDGET BOOK – Page # 329-330

BACKGROUND:

Pursuant to Section 110.413 of the Municipal Code, this fund was established to provide boat-related activities (including recreational channel marking and public launching facilities); removal of floating structures deemed a hazard to public safety and health, and manatee and marine mammal protection. Funds are appropriated annually by City Council. Projects that cost \$30,000 or less are approved by the Director of Parks, Recreation and Community Services. Projects larger than \$30,000 require a separate approval of the Council. Revenues are derived from recreational vessel registration fees paid in accordance with Florida Statute 328.72. This is an “all years” sub-fund.

REVENUES:

1. Charges for Services:
 - The amount of \$120,000 represents the anticipated FY18/19 revenue for motorboat registration fees based on historical amounts from previous years.

2. Investment Pool/ Interest Earnings:
 - The increase of \$10,117 represents an appropriation of existing interest earnings.

EXPENDITURES:

1. Professional and Contractual Services:
 - The amount of \$140,000 will be allocated towards expenditures for repairs of city-owned boat ramps and other equipment.

EMPLOYEE CAP CHANGES:

There are no authorized positions in this subfund.

RECOMMENDATIONS:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PARKS, RECREATION & COMMUNITY SERVICES
CECIL FIELD COMMERCE CENTER (S/F 1DA)**

PROPOSED BUDGET BOOK - Page # 331 - 333

BACKGROUND:

The Cecil Field Commerce Center includes the community center, aquatics complex, and the athletic complex.

REVENUES:

1. Charges for Services:
 - This amount represents estimated revenue for entrance fees and organized event charges.
2. Miscellaneous Revenue:
 - The decrease of \$13,500 is due to decreases in Miscellaneous Sales and Charges of \$8,500 and in Overtime Reimbursement Charges of \$5,000 based on actual earnings.
3. Transfers from Other Funds:
 - The \$1,219,734 is a transfer from the General Fund/GSD to balance the subfund.
4. Transfers from Fund Balance:
 - The amount of \$24,709 is the FY 2017/18 portion of the pension reform contingency that is being placed back into contingency.

EXPENDITURES:

1. Salaries:
 - The net increase of \$6,723 is mainly due to pay increases to be effective October 1st related to collective bargaining.
2. Employer Provided Benefits:
 - The decrease of \$5,282 is mainly due to a decrease in Group Hospitalization Insurance of \$4,190 due to two new employees that elected not to have health insurance with the City.
3. Internal Service Charges:
 - The net increase of \$12,977 is mainly due to an increase in Computer System Maintenance/Security Allocation of \$12,529 due to an increase in IT charges related to the implementation of the Enterprise / Resource Management Solution System.
4. Indirect Costs:
 - The amount of \$131,476 is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.
5. Contingencies:
 - The increase of \$6,664 is the FY 2018/19 portion of the pension reform contingency.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PARKS, RECREATION & COMMUNITY SERVICES
CECIL FIELD COMMERCE CENTER (S/F 1DA)**

PROPOSED BUDGET BOOK - Page # 331 - 333

SERVICE LEVEL CHANGES:

There is no change in service level.

EMPLOYEE CAP CHANGES:

There is no change in the employee cap.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
EQUESTRIAN CENTER – NFES/HORSE (S/F 4F5)**

PROPOSED BUDGET BOOK – Page #341-342

BACKGROUND:

Ordinance 2014-331-E transferred the management of the Equestrian Center from SMG to the Northeast Florida Equestrian Society (NFES)/H.O.R.S.E. Therapies, Inc. Ordinance 2015-620-E amended and restated the contract with NFES.

REVENUE:

Transfers from Other Funds:

- The FY 18/19 proposed transfer from the Taye Brown Regional trust fund (Subfund 44I) is \$465,508.

CONCERN:

The balance of the Taye Brown Regional trust fund (S/F 44i) has decreased from approximately \$1.3 million at the beginning of Fiscal Year 2014/15 to an estimated \$450,000 at the end of Fiscal Year 2017/18. Based on annual revenue collections of about \$200,000 per year, it is likely that it will not have sufficient funds to provide this same level of subsidy next year.

EXPENDITURES:

Professional and Contractual Services:

- This amount will be paid to the Northeast Florida Equestrian Society to cover the gap between their estimated revenues and estimated expenditures of the Equestrian Center for Fiscal Year 2018/19.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There are no employees in this subfund.

RECOMMENDATION:

None

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PLANNING AND DEVELOPMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 343 - 345

BACKGROUND:

The Planning and Development Department manages existing and future development within the City of Jacksonville. Matters pertaining to zoning, the comprehensive plan, concurrency, land use, various trades inspections and building codes fall within the purview of this department. The general fund portion of the Planning and Development Department consists of the Office of the Director, Community Planning Division, Current Planning Division, Development Services Division, and Transportation Planning Division.

REVENUE:

1. Charges for Services
 - The decrease of \$6,299 is due to projected decreases of \$4,578 in comprehensive/ amendment fees and \$1,721 in zoning and rezoning fees.
2. Fines and Forfeits
 - There is a \$2,171 increase in projected civil fines and penalties based on recent activity.
3. Miscellaneous Revenue
 - The increase of \$10,000 is due to an increase in right-of-way permits to better reflect anticipated revenue.

EXPENDITURES:

1. Salaries
 - The net increase of \$49,796 is primarily due to an increase of \$33,035 in salaries. The increase in salaries is mainly due to planned wage increases included in approved collective bargaining agreements, which is being offset by decreases due to employee turnover. Additionally, there is an increase of \$22,945 in part-time salaries which will be used to retain a recently retired staff member on a part-time basis.
2. Pension Costs
 - The net increase of \$38,214 in pension costs can be attributed to employee turnover and salary increases.
3. Employer Provided Benefits
 - The net increase of \$30,357 is primarily due to increases in health insurance mainly due to the elimination of the five contribution "holidays" that occurred in FY 2017/18.
4. Internal Service Charges
 - The decrease of \$145,632 is due to decreases of \$90,638 in OGC legal fees based on recent activity levels and \$88,826 in IT computer system maintenance/security allocation resulting from a decrease in application production and maintenance for various systems. These decreases are being offset by an increase of \$28,667 in the allocated Ed Ball Building costs due to an increase in the overall total building cost.

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 PLANNING AND DEVELOPMENT
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PROPOSED BUDGET BOOK - Page # 343 - 345

5. Insurance Costs and Premiums
 - There is a \$6,776 decrease in general liability insurance due to a decrease in recent claims filed.

6. Professional and Contractual Services
 - The increase of \$73,500 in professional services relates to the upcoming Mobility Plan Study. The study is scheduled for completion in 2020.

7. Supervision Allocation
 - This amount represents the net allocation of a portion of the salary and benefits expenses for employees housed in Building Inspections (S/F 159) [Development Services Division] that perform duties related to the General Fund/GSD (S/F 011) [Development Services Division]. This allocation is being partly reduced by an allocation from the Office of the Director, General Fund/GSD (S/F 011) to Building Inspections (S/F 159) and Concurrency Management (S/F 112). All allocations mentioned are contained within the Planning and Development Department. The net allocation to the General Fund/GSD (S/F 011) is increasing due to an increase in the employee costs being allocated. We noted no significant change in the percentage or methodology of costs being allocated.

SERVICE LEVEL CHANGES:

None.

EMPLOYEE CAP CHANGES:

There is no change in authorized positions.

DIVISION CHANGES:

Division	FY 2017/18 ADOPTED	FY 2018/19 PROPOSED	Change	Notes
Community Planning	\$ 1,241,416	\$ 1,307,142	\$ 65,726	(A)
Current Planning	1,263,518	1,156,701	(106,817)	(B)
Development Services	528,160	621,664	93,504	(C)
Office of the Director	765,614	788,888	23,274	(D)
Transportation Planning	579,720	625,443	45,723	(E)
Department Total	\$ 4,378,428	\$ 4,499,838	\$ 121,410	

- A. The \$65,726 increase in the Community Planning Division is primarily due to a total increase in salaries of \$42,114 resulting from the planned general wage increases due to approved collective bargaining agreements and the addition of part-time salaries for the retention of a recently retired staff member on a part-time basis. Also included is an increase in total pension costs of \$35,103 due to salary increases and employee turnover.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
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PLANNING AND DEVELOPMENT
GENERAL FUND/GENERAL SERVICES DISTRICT (S/F 011)**

PROPOSED BUDGET BOOK - Page # 343 - 345

- B. The decrease of \$106,817 in the Current Planning Division is primarily due to decreases of \$61,684 in OGC legal fees based on recent activity levels, and \$25,578 in IT computer system maintenance/security allocation resulting from a decrease in application maintenance for various systems. There is also a decrease of \$15,277 in pension costs resulting from employee turnover.
- C. The increase of \$93,504 in the Development Services Division is due to an overall increase in personnel costs being allocated to the General Fund/GSD (S/F 011). We noted no significant change in the percentage or methodology of costs being allocated.
- D. The increase of \$23,274 within the Office of Director is primarily due to increases of \$17,911 in total pension costs, and internal service charges totaling \$6,198.
- E. The increase of \$45,723 in the Transportation Planning Division is primarily due to increases of \$73,500 in professional services related to the Mobility Plan Study and \$10,099 in salaries due to planned general wage increases included in approved collective bargaining agreements. These increases are being offset by a decrease of \$47,062 in IT computer system maintenance/security for activities related to the implementation of a new Mobility Fee Calculator program that were included in the FY 2017/18 Budget.

RECOMMENDATION:

None.

**COUNCIL AUDITOR'S OFFICE
COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PLANNING & DEVELOPMENT
CONCURRENCY MANAGEMENT SYSTEM (S/F 112)**

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BACKGROUND:

The Concurrency and Mobility Management System Office manages the Concurrency and Mobility Management System (CMMS) which measures the potential impact of a proposed development on the adopted minimum levels of service for all public facilities (except traffic circulation and mass transit). It also manages the collection of mobility fees pertaining to traffic circulation and mass transit public facilities consistent with the 2030 Mobility Plan (as established in the 2030 Comprehensive Plan) when an application for a final development order or final development permit is submitted. The CMMS ensures that the adopted levels of service and performance standards are not degraded by the issuance of a final development order, or a final development permit. It provides the local structure for administering the state law, Chapter 163, Part II, Florida Statutes.

REVENUE:

1. Charges for Services:

- The net increase of \$135,211 is mainly due to increases of \$69,344 in Concurrency Management Fees and \$52,556 in Mobility Plan Management Fees. Each of these increases is based on current actual revenue.

2. Investment Pool/Interest Earnings:

- The decrease of \$17,503 is based on anticipated earnings contingent upon the available cash balance and the projected interest rate.

3. Transfer from Fund Balance:

- There is a proposed transfer from fund balance of \$541,209. This amount includes \$37,165 to re-establish the FY 2018/19 pension reform contingency as well as \$504,044 to balance the subfund.

EXPENDITURES:

1. Salaries:

- The net increase of \$17,144 is mainly due to salary increases to be effective October 1st related to collective bargaining.

2. Pension Costs:

- The net increase of \$8,239 is primarily due to salary increases.

3. Employer Provided Benefits:

- The net increase of \$11,014 is mainly due to an increase in Group Hospitalization Insurance of \$10,799 due to there being no contribution "holidays" in FY 2018/19.

4. Indirect Cost:

- The amount of \$303,716 is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

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5. Contingencies:

- The increase of \$9,602 is the FY 2018/19 portion of the pension reform contingency.

SERVICE LEVEL CHANGES:

None

EMPLOYEE CAP CHANGES:

There is no change in authorized positions.

CONCERN:

As stated in previous budget reviews, with changes made by Ordinance 2015-249-E, this subfund's annual revenues are no longer sufficient to cover annual expenditures as evidenced by the \$504,044 being transferred from fund balance to balance the budget. The fund will have approximately \$1.5 million available at the end of FY 2017/18. That means this subfund does not have sufficient fund balance to keep it solvent for more than about three years.

RECOMMENDATION:

None

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COMMENTS AND RECOMMENDATIONS
MAYOR'S PROPOSED FY 2018/19 BUDGET
PLANNING AND DEVELOPMENT
BUILDING INSPECTION (EXCLUDING FIRE RESCUE) (S/F 159)**

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BACKGROUND:

The Building Inspection Subfund accounts for the finances of the Building and Inspection Division within the Planning and Development Department and to a lesser degree the finances of the Fire Plans Review Section of the Jacksonville Fire and Rescue Department. The Building Inspection Division is responsible for ensuring that existing and future developments and construction comply with the Florida Building Code and local ordinances. The Division's primary roles are to ensure the safety of buildings and related landscapes by performing inspections and enforcing building, electrical, plumbing, mechanical, and other related city codes. In addition, the Division performs reviews of various permit applications and plans examination. During the FY 2015/16 budget process, the Development Services Division, within the General Fund – GSD (S/F 011), was moved into this subfund and is primarily supported by development services fees added to Section 320.409 of the Municipal Code.

REVENUE:

Non-Departmental / Fund Level Activities

1. Investment Pool / Interest Earnings

- There is a \$103,599 increase in projected investment pool earnings based on an increase in the average cash balance within this subfund.

2. Transfer From Fund Balance

- The listed amount of \$2,661,192 includes \$786,978 representing the prior year portion of the contingency associated with the overall pension reform reserves and an additional \$1,874,214 needed to balance the budget due to one-time costs associated with the new Enterprise Land Use Management System.

Planning and Development

1. Charges for Services

- The increase of \$2,257,846 is due, in part, to increases of \$1,504,960 in building inspection fees, \$239,093 in plumbing inspection fees, \$180,183 in electrical inspection fees, \$122,415 in re-inspection fees, \$95,327 in construction inspection fees and \$86,448 in mechanical inspection fees. All of these increases are based on recent increases in activity levels.

2. Fines and Forfeits

- The increase of \$36,676 is due to an increase of \$26,732 in reactivation/reinstatement fees and \$9,944 in code violation fines, which are also based on recent increases in activity levels.

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EXPENDITURES:

Non-Departmental / Fund Level Activities

1. Contingencies

- The proposed contingency amount of \$1,012,981 is part of the overall pension reform reserves being set aside as funds to be available to offset future salary increases agreed to in the approved collective bargaining agreements.

2. Cash Carryover

- There is no cash carryover budgeted in FY 2018/19.

Planning and Development

1. Salaries

- The increase of \$1,076,986 is primarily the result of an increase in salaries of \$1,046,677 due to the addition of fifteen (15) positions in Planning and Development and increases resulting from the approved collective bargaining agreements.

2. Salary & Benefit Lapse

- There is a proposed salaries/benefits lapse of \$147,093. This reflects an estimated salary and benefit lapse based on the average turnover ratio and estimated number of vacancies in FY 2018/19.

3. Pension Costs

- The increase of \$227,977 is mainly due to an increase of \$163,095 in Defined Contribution plan contributions due to an increase in the number of participants, including the addition of the fifteen (15) positions mentioned above. Defined Benefit plan contributions are increasing by a net \$61,611, which is based on actuarial requirements.

4. Employer Provided Benefits

- The increase of \$348,895 is primarily due to an increase of \$307,710 for health insurance which is mainly the result of eliminating the five contribution "holidays" budgeted in FY 2017/18. Also included is the addition of fifteen (15) new employees.

5. Internal Service Charges

- The increase of \$2,719,982 is primarily due to IT costs associated with the development and on-going support of the new Enterprise Land Use Management system, which was started in FY 2017/18. This includes increases of \$1,782,975 in IT system development and \$1,348,066 in computer system maintenance and security. These increases are being offset by a reduction in tech refresh of \$327,893 which was used to purchase new computers in FY 2017/18.

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6. Insurance Costs and Premiums
 - The decrease of \$11,599 is due to a decrease in general liability insurance due to a decrease in recent claims filed.
7. Professional and Contractual Services
 - The increase of \$750,000 is due to an increase in professional services for document conversion services. These services include converting microfiche, microfilm, and paper records to digital copies for both the Building Inspection Division and Development Services Division. Per the Department, the purpose of the service is to extend the life of documentation in accordance with State requirements.
8. Capital Outlay
 - The capital outlay amount of \$13,543 will be used to purchase equipment for the fifteen (15) staff members.
9. Supervision Allocation
 - This amount represents the net allocation of a portion of the salary and benefits expenses for employees housed in this Subfund (Development Services Division) that perform duties related to the General Fund/GSD (S/F 011) Development Services Division. This allocation is being partly reduced by an allocation from the General Fund/GSD (S/F 011) Office of the Director. All allocations mentioned are contained within the Planning and Development Department. The increase in the net allocation to the General Fund/GSD (S/F 011) is due to salary increases within the Development Services Division. We noted no significant change in the percentage or methodology of costs being allocated.
10. Indirect Cost
 - This is an allocation of costs to operate central services of the City (e.g. Finance and Administration, Employee Services and City Council) as calculated by the City's independent consulting firm.

SERVICE LEVEL CHANGES:

Additional staff and computer system development have been included in the proposed FY 2018/19 budget in order to improve permit/inspection turnaround and increase customer satisfaction.

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EMPLOYEE CAP CHANGES:

- The employee cap is increasing by fifteen (15) positions, due in part to the following change during the year and proposed enhancements:
 - Ordinance 2018-107-E added nine (9) positions during FY 2017/18:
 - 4 Engineering Technicians Seniors
 - 1 Building Plans Examiner
 - 1 Construction Trades Inspector
 - 1 Permit Assistant
 - 1 Professional Engineer
 - 1 Administrative Aide
 - The proposed budget includes the addition of six (6) new positions:
 - 4 Construction Trades Inspectors
 - 1 Permit Assistant
 - 1 Building Plans Examiner.

RECOMMENDATION:

None.